



CITY OF WHITEWATER REQUEST FOR PROPOSALS AND QUALIFICATIONS

WATER UTILITY RATE STUDY

Due date for proposals: Tuesday, February 22nd, 2011 Time: 2:00 p.m. CST
Place: Office of the City Clerk, 312 W Whitewater Street, Whitewater, WI 53190

Contact regarding this Request For Proposals: **Doug Saubert, Finance Director**
312 W. Whitewater Street
Whitewater, WI 53190
Ph: (262) 473-1380 Fax (262) 473-0589
Email: dsaubert@whitewater-wi.gov

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**REQUEST FOR PROPOSALS AND QUALIFICATIONS
FOR
WATER UTILITY RATE STUDY
City of Whitewater**

I. Introduction

The City of Whitewater, Wisconsin is requesting proposals and qualifications from professional firms to perform a comprehensive Rate Study and provide other specified Financial Consulting Services for the benefit of the City's Water Utility. Qualified financial consulting firms are invited to review the requirements for the rate study.

Water Utility

The City of Whitewater's watermain infrastructure exceeds 54 miles. The Water Utility serves the City of Whitewater. The City bills water, sewer, and stormwater service charges on the same bill, itemized separately. This study will involve water volume, meter, public fire protection, distribution systems, capital and debt service.

The city is currently converting all existing water meters to an electronic meter reading system provided by Badger Meters. The city's utility software vendor is Civic Systems out of Madison WI. It is expected that the conversion will be completed by June 1, 2011. The city currently bills all utilities on a quarterly basis. We expect to bill monthly beginning August 1, 2011. The financial structure of the Water Utility must be prepared to support current operations, future capital improvements, new regulations, and debt service. The intended outcome of this Request For Proposals and Qualifications (RFP/RFQ) is to identify and establish a contract with the firm best qualified to analyze the current system, forecast future expenses and revenue requirements, develop appropriate rates and fees, provide reports and recommendations, and perform other tasks as listed in the Scope of Services. All outcomes of the study must comply with cost of service principles and PSC (Public Service Commission) regulations.

It is anticipated that the contract(s) for these services will be awarded no later than March 15, 2011. The rate study would need to be completed and application made to the PSC no later than May 1, 2011 in order to acquire PSC approval and implement new rates by August 1, 2011.

Any and all questions or communications regarding any aspect of this RFP/RFQ shall be directed via fax, phone, mail, or email to:

Doug Saubert, Finance Director
312 W. Whitewater Street
Whitewater, WI 53190
Ph: (262) 473-1380 Fax (262) 473-0589
Email: dsaubert@whitewater-wi.gov

II. Scope of Services

A. Water Utility Rate Study

The successful firm will perform, at a minimum, the following tasks and services:

1. Prior to initiation of study, conduct organizational meeting(s) with City staff in order to review the major questions and concerns with the current rate structure and methodology, and review objectives of the study.
2. Utilize informational resources provided by the City as follows:
 - Consumer analysis by customer class
 - Public and Private Fire Protection Analysis
 - Five Year Capital Improvement Plan
 - Debt service with repayment schedules
 - Operating budgets
 - Assessment Policy
 - Latest application and rate order issued from the Public Service Commission (2/20/04), Simplified Rate Order (12/1/09) and related documentation
3. Prepare and submit a detailed list and time schedule of tasks, information requirements, reviews, meetings, submission of reports, etc.
4. Perform financial sensitivity analysis on utility operations taking into account such factors as capital program implementation, operating costs, actual and authorized rate of return, regulatory changes and other issues that may impact financial operations.
5. Review current billing policies and procedures and advise recommended changes.
6. Review and design as considered necessary, appropriate rates, fees and any other other service charges needed for the Water Utility to meet current and five year capital plan goals, as well as operational expenses. Rates and fees will include:
 - Volume charges
 - Meter charges
 - Public fire protection charges
 - Private fire protection charges
 - Service charges for non-consumption related activities
7. Provide an appropriate plan recommendation for ongoing analysis, timing and methods for future rate adjustments through the year 2016.
8. Analyze and report on the borrowing capacity of the Utility.
9. Develop strategy for accomplishing necessary capital expenditures including analysis of possible fee impacts.

10. Answer questions, render opinions, and perform other financial consulting tasks related to the Water Utility, as authorized by City staff.
11. Provide final draft report with recommendations and a five year financial forecast for presentation to City Council (attendance required by successful firm).
12. Develop PSC rate application (to be submitted by 5/1/11), review PSC staff exhibit and work papers, attend the rate hearing(s), review and advise on final PSC rate orders.

Note: The city provides water to the Cogentric Power Plant located within the City of Whitewater. The power plant provides electric to WE Energies on an “as needed” basis. The power plant accounts for 42% to 50% of the water volume. On the revenue side, the power plant contributes between 20% to 24% of revenues. **It should be expected the owners of the power plant will hire a professional water rate consulting firm to review and dispute the results of the rate study. The selected firm must be able to support and defend the rate application made to the PSCW.**

III. Terms and Conditions

- A. Termination – If for any reason, the firm selected shall fail to fulfill the obligations agreed to in a timely manner, the City shall have the right to terminate the contract by specifying the date of termination in a written notice to the firm at least thirty (30) days before the termination date. In this event, the firm shall be entitled to just and equitable compensation for the work satisfactorily completed.
- B. Insurance- The successful proposer will be required to furnish, within ten (10) days of award notification and before commencing work, the certificate of insurance specified in Exhibit B for small exposure work. The certificate shall name the City, its officers and employees, as additional insured.
- C. Indemnification Clause- The agreement resulting from this RFP/RFQ shall be required to contain the following:

“Provider agrees to indemnify, defend and hold harmless the City and its officers, officials, employees and agents from and against any and all liability, loss, damage expense, costs (including attorney fees arising out of this agreement), caused in whole or in part by Provider or anyone for whose acts any of them may be liable, except where caused by the sole negligence or willful misconduct of the City.”
- D. Contract Term- Water Utility study contract term will cover work up to the application date of 5/1/11, plus the time frame necessary to process the rate case through the PSC.
- E. Assignment - The selected firm shall not assign, transfer or subcontract any interest in the contract without the prior written consent of the City.
- F. Right to Reject- The City reserves the right to reject any or all proposals, to waive technicalities, or to accept the proposal(s) deemed to serve the City’s best interest.
- G. Contract Form- Any contract or written agreement resulting from acceptance of a proposal shall be on forms prepared by the City, or approved by the City, and shall at a minimum contain or incorporate by reference all of the requirements and provisions of this RFP/RFQ.

- H. Proposal Costs- All costs associated with preparation, submittal and presentation of proposals shall be borne by the proposer.

IV. Submittal Instructions

Proposers may submit proposals for the Water Utility Rate Study. The proposal submitted shall stand on its own merits and consist of the proposal components described below.

A. Content: Proposals are to consist of five (5) sections as follows:

1. Executive Summary- This section, limited to two (2) pages or less, should contain a description of the firm: history, ownership, market strengths, services offered, etc.; the general approach to the proposal; and a brief statement regarding your interest in this project.
2. Qualifications- This section should describe the specific qualifications of the firm to successfully complete the project; including, but not necessarily limited to:
 - a) A statement of the firm's particular abilities and qualifications related to this project, and those of subcontractors, if applicable.
 - b) Resumes' and experience of key personnel (and subcontractors, if applicable) to be assigned to this project. Prior notification of any change in personnel assigned to the project once awarded is required.
 - c) Description of other similar engagements by the firm, key personnel or subcontractors pertinent to this project. Include specific experience on past projects working with water Utility and/or the PSC.
 - d) A list of relevant references that we may contact should be submitted at the end of the proposal, in section 5. Other Submittals (see below).
3. Scope of Services- Use this section to fully address the requirements listed in Scope of Services (Section II) above. This should be a services plan identifying and defining specific tasks and milestones to be accomplished, and a corresponding proposed project schedule. Approximate staff hours should be defined to indicate the estimated level of effort and the division of work between key personnel (see 2.b. above), other firm staff, or subcontractors, if any. Any services or tasks the firm feels should be part of the project but are not listed in the Scope of Services (Section II above) may be proposed, but should be clearly identified as "optional" or "suggested," and will be considered separately from the main proposal.
4. Fees- This part of the proposal shall contain the fee schedule for the services expressed as hourly fees for each classification of personnel identified in the Scope of Services. NOTE: This should be submitted in a separate, sealed enveloped clearly marked: "Fee Schedule – Water Rate Study" . Fees must include all costs associated with the work effort, including travel, materials and other expenses.
5. Other Submittals – This will include completed Exhibit "A" Submittal Agreement, list of references, and any other materials the firm believes the City should take into consideration when evaluating the firm's qualifications. However, elaborate brochures or voluminous examples are neither required nor desired.

B. Delivery of Proposals: Proposal packages shall be sealed and delivered to the address shown below, by mail, courier, or in person on or before **2:00 p.m. CST on Tuesday, February 22nd, 2011**. Proposals submitted after this time will be rejected as unresponsive. Proposers shall submit five (5) copies of their proposals (and one (1) copy of each fee schedule) to:

Office of the City Clerk
2nd Floor
312 W. Whitewater Street
Whitewater, WI 53190

Proposal packages must be clearly marked on the outside of the package with the name of the submitting firm and "Water Utility Rate Study." Proposers are responsible to ensure receipt of proposals by the specified due date and time. Delivery to the U.S. Postal Service or other carrier does not constitute receipt.

V. Evaluation of Proposals

A panel of City of Whitewater department representatives will evaluate proposals and conduct secondary interviews if deemed necessary. The panel will assign a numerically weighted score to each proposal based upon the following criteria:

Executive Summary	10 points
Qualifications	25 points
Scope of Services	30 points
Fees	20 points
Other Submittals	<u>15 points</u>
	100 points total possible

In addition to the above, extra points not to exceed 5% of the total point possibilities (extra 5 points) may be assigned to proposals from firms with identifiable local advantages.

The Evaluation Panel will require an estimated 7-10 days after the proposal due date to evaluate proposals. Thereafter, an award recommendation will be presented to the appropriate committee(s) of the Whitewater Common Council for approval, and all proposing firms will be advised of the recommendation. Since the final contract award requires the approval of the Common Council, proposers are advised that these officials have the right to terminate or modify the contract or project scope, subject to agreement by the selected firm.

EXHIBIT "A"

SUBMITTAL AGREEMENT

(Complete and include with Proposal)

I/We herewith offer to supply the City of Whitewater, on or before the stated delivery date, in accordance with the specifications, if offered a bona fide contract within 45 days of this offer, the items called for in the attached specifications.

I hereby certify that I am authorized to make this offer on behalf of the named company and to bind said company to all conditions of this proposal.

PROPOSING FIRM: _____

STREET: _____

CITY AND STATE: _____

SIGNATURE: _____

PRINT NAME: _____

TITLE: _____

PHONE : _____

FAX # : _____

EMAIL : _____

DATE SUBMITTED _____

PROPOSAL DUE: 2:00 P.M. CST February 22nd, 2011

DELIVER TO: Office of the City Clerk
312 W Whitewater St – Second Floor
Whitewater, WI 53190

"EXHIBIT B"
INSURANCE REQUIREMENTS FOR CITY OF WHITEWATER

It is hereby agreed and understood that the insurance required by the City of Whitewater is primary coverage and that any insurance or self insurance maintained by the City of Whitewater, its officers, council members, agents, employees or authorized volunteers will not contribute to a loss. All insurance shall be in full force prior to commencing work and remain in force until the entire job is completed or the length of time that is specified in the contract.

1. PROFESSIONAL LIABILITY

- A. Limits
 - (a) \$500,000 each claim/\$1,000,000 annual aggregate
- B. Must continue coverage for 2 years after final payment for service/job

2. GENERAL LIABILITY COVERAGE

- A. Commercial General Liability
 - (a) \$1,000,000 general aggregate
 - (b) \$1,000,000 products - completed operations aggregate
 - (c) \$500,000 personal injury and advertising injury
 - (d) \$500,000 each occurrence limit
- B. Claims made form of coverage is not acceptable.
- C. Insurance must include:
 - (a) Premises and Operations Liability
 - (b) Blanket Contractual Liability
 - (c) Personal Injury
 - (d) Explosion, collapse and underground coverage
 - (e) Products/Completed Operations
 - (f) The general aggregate must apply separately to this project/location

3. BUSINESS AUTOMOBILE COVERAGE

- A. Limits - \$250,000 each person/\$500,000 each accident for Bodily Injury and \$100,000 for Property Damage \$500,000 Combined Single Limit for Bodily Injury and Property Damage each accident OR
- B. Must cover liability for "Any Auto" - including Owned, Non-Owned and Hired Automobile Liability

4. WORKERS COMPENSATION AND EMPLOYERS LIABILITY - If required by Wisconsin State Statute or any Workers Compensation Statutes of a different state.

- A. Must carry coverage for Statutory Workers Compensation and Employers Liability limit of:
 - \$100,000 Each Accident
 - \$500,000 Disease Policy Limit
 - \$100,000 Disease - Each Employee

5. ADDITIONAL PROVISIONS

*** Additional Insured - On the General Liability Coverage, Comprehensive Automobile Coverage and Umbrella Coverage. City of Whitewater, and its officers, council members, agents, employees, and authorized volunteers shall be Additional Insureds.**

*** Endorsement -**

The Additional Insured Policy endorsement must accompany the Certificate of Insurance.

*** Certificates of Insurance -**

A copy of the Certificate of Insurance must be on file with the City Clerk.

*** Notice -**

NOTE: City of Whitewater requires 30 day written notice of cancellation, non-renewal or material change in the insurance coverage.

***The insurance coverage required must be provided by an insurance carrier with the "Best" rating of "A-VII" or better. All carriers shall be admitted carriers in the State of Wisconsin.**